

The forced legal tender of the bills came to an end by the law of August 6, 1850. A new increase of capital was made by the law of the Empire of June 9, 1857, and the charter of the bank was extended to December 31, 1897. Its existing privileges were confirmed and a concession was made to the recent growth of economic opinion, in favor of controlling the foreign exchanges through the discount rate, by exempting the bank from the usury laws.<sup>1</sup> The new charter required that branches be established within ten years in all the departments, but it was not until fifteen years after the time set that this requirement was fully complied with. The increase of capital was justified by the immense expansion of industry by machinery and the building of railroads, and the requirement of a branch in every department made it the more imperative. The capital was therefore doubled and the 91,250 new shares were issued at 200 francs, of which the premium of 100 francs was destined to strengthen the reserve. The government borrowed 100,000,000 francs of the money subscribed for the increase of capital upon a pledge of three per cent, securities.

The strength of the bank proved a powerful support for the railway enterprises which were now being floated in nearly every department. The quotation of the stock of the new companies, which had not yet had time to complete their lines, had fallen very low when ten of the leading companies formed a syndicate and appealed to the bank for assistance. A contract was signed by which the bank opened a credit in favor of the companies on the deposit of their obligations and agreed to market them under favorable conditions. Two hundred and forty million of francs (\$46,-300,000) of obligations were disposed of, 150,000,000 by private sales and 90,000,000 by public subscription, during 1858, and the quotations were carried upward from 260 francs to 290 francs within the year. The only benefit derived by the bank from this operation was the interest on the advances

S) 81. The earnings above six per cent, were required to be carried to a permanent surplus fund, which stood for more than twenty years at 8,002,313 francs.